

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

M

RECEIVED

MAR 14 2005

W-02368A  
Mirabell Water Company, Inc.  
1037 S. Alvernon, Ste. 250  
Tucson AZ 85711

AZ Corporation Commission  
Director G. Unidos

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>MIRABELL WATER COMPANY</u>		
<b>Mailing Address</b> <u>1037 South Alvernon Suite 250</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85711</u> (Zip)
<u>(520) 323-7777</u> Telephone No. (Include Area Code)	<u>(520) 323-1355</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> <u>1037 South Alvernon Suite 250</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85711</u> (Zip)
<u>(520) 323-7777</u> Local Office Telephone No. (Include Area Code)	<u>(520) 323-1355</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Morton Freedman</u> <u>President</u>		
<u>1037 South Alvernon #250</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>85711</u> (Zip)		
<u>(520) 323-7777</u> Telephone No. (Include Area Code)	<u>(520) 323-1355</u> Fax No. (Include Area Code)	<u>(520) 990-7770</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>MFFREEDMAN@RAWCOMM.NET</u>		
<b>On Site Manager:</b> <u>Morton Freedman</u>		
<u>1037 South Alvernon #250</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>85711</u> (Zip)		
<u>(520) 323-7777</u> Telephone No. (Include Area Code)	<u>(520) 323-1355</u> Fax No. (Include Area Code)	<u>(520) 990-7770</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>MFFREEDMAN@RAWCOMM.NET</u>		

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Morton Freedman  
(Name)  
1037 South Alvernon #250 Tucson AZ 85711  
(Street) (City) (State) (Zip)  
(520) 323-7777 (520) 323-1355 (520) 990-7770  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: LEONARD E FELKER  
(Name)  
155 W. Council Tucson AZ 85702  
(Street) (City) (State) (Zip)  
(520) 622-7733 (520) 622-7967  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

COMPANY NAME

MIRABELL WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	23,726	10,818	12,908
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment	56,175	55,023	1152
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	60,542	60,372	170
333	Services			
334	Meters and Meter Installations	7,031	6,762	269
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>147,424</b>	<b>132,975</b>	<b>14,499</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

*MIRABELL WATER COMPANY***CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	<i>23,726</i>	<i>YAR</i>	<i>189</i>
307	Wells and Springs			
311	Pumping Equipment	<i>56,125</i>	<i>YAR</i>	<i>532</i>
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	<i>60,542</i>	<i>YAR</i>	<i>67</i>
333	Services			
334	Meters and Meter Installations	<i>2,031</i>	<i>YAR</i>	<i>119</i>
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<i>142,424</i>		<i>2532</i>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

MIRABELL WATER COMPANY

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 3993	\$ 364
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	4187	4187
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 8180	\$ 4551
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 147,474	\$ 142,474
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	130,438	132,925
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 12,036	\$ 74,499
	<b>TOTAL ASSETS</b>	\$ 25,216	\$ 19,050

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

*Mirabell Water Company***BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 12,382	\$ 10,556
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 12,382	\$ 10,556
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 109,658	\$ 109,658
211	Paid in Capital in Excess of Par Value	21,223	21,223
215	Retained Earnings	<118,047>	<122,388>
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 12,834	\$ 8,493
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 25,216	\$ 19,049

COMPANY NAME

*MIRABELL WATER COMPANY***COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 34,423	\$ 37,056
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 34,423	\$ 37,056
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	8035	8683
618	Chemicals		
620	Repairs and Maintenance	77	
621	Office Supplies and Expense	1948	1133
630	Outside Services	4026	7454
635	Water Testing	825	165
641	Rents	6750	2876
650	Transportation Expenses	8496	8581
657	Insurance - General Liability	1966	3076
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	293	2118
403	Depreciation Expense	2619	2537
408	Taxes Other Than Income		2098
408.11	Property Taxes	1823	2271
409	Income Tax	45	
	<b>TOTAL OPERATING EXPENSES</b>	\$ 36,903	\$ 40,992
	<b>OPERATING INCOME/(LOSS)</b>	\$ <2480>	\$ <3936>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	<509>	<409>
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ <2989>	\$ <4340>



COMPANY NAME

MIRABELL Water Company

SUPPLEMENTAL FINANCIAL DATALong-Term Debt  
(ATTACH)

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/14/01			
Source of Loan	WIFA (BGA)			
ACC Decision No.				
Reason for Loan	REPAIRS			
Dollar Amount Issued	\$ 15,000	\$	\$	\$
Amount Outstanding (Principle)	\$ 11,522.14	\$	\$	\$
Date of Maturity	12/01/11			
Interest Rate	3.5 %	%	%	%
Current Year Interest	\$ 1,338.65	\$	\$	\$
Current Year Principle	\$ 11,522.14	\$	\$	\$

Principle Repayments ~ 3,477.86

Meter Deposit Balance at Test Year End

\$ 170<sup>00</sup>

Meter Deposits Refunded During the Test Year

\$ 85<sup>00</sup>

WIPA Balance Sheet  
March 31, 2004  
L 0 02 58-2  
Year End 12/31/2004

TOTAL P.02

Today's Date.....	31-Dec-04
Current Payment Date.....	03/01/05
Loan Amount .....	15,000.00
Loan Amount Drawn.....	15,000.00
Principal	
Principal Repayments to Date.....	3,477.86
Principal Outstanding.....	11,522.14
Combined Interest & Fee rate (CIFR).....	3.500%
Interest & Fee Payments to Date.....	1,338.65
Debt Service Reserve Requirement	
Debt Service Reserve Requirement.....	1,858.25
Debt Service Reserve Contributions to Date.....	929.12
Debt Service Reserve Remaining .....	929.12

COMPANY NAME MIRABELL WATER COMPANY

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
624580	15	50	760	8	2"	1980

\* Arizona Department of Water Resources Identification Number

N/A

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5 HP	2	0	0

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
25,000	1	2,000	1
10,000	1	41V302	3

COMPANY NAME

Mirabell Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)****MAINS**

Size (in inches)	Material	Length (in feet)
2	Transmission	3722
3	Distribution	2690
4		
5		
6	Transmission	630
8	Distribution	5900
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	39
1	23
1 1/2	
2	1 @ WELL
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Fence &amp; Gate @ well site

OTHER:

N/A

COMPANY NAME:

Mirabell Water Company**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	62	429530	485100
FEBRUARY	62	326720	374900
MARCH	62	510050	551700
APRIL	62	571940	594031
MAY	62	857690	956100
JUNE	62	875990	976000
JULY	62	710140	853700
AUGUST	62	948570	948600
SEPTEMBER	62	806870	923300
OCTOBER	62	613690	745300
NOVEMBER	62	391040	488500
DECEMBER	62	374854	373600
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes☒ NoIf yes, provide the GPCPD amount: N/AWhat is the level of arsenic for each well on your system. 0.0053 mg/l

(If more than one well, please list each separately.)

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

COMPANY NAME MIRABELL WATER COMPANY YEAR ENDING 12/31/2004

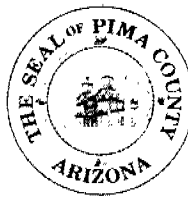
**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 2271.<sup>00</sup>

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Beth Ford**  
Pima County Treasurer



**Patti Davidson**  
Chief Deputy Treasurer

T C

**PIMA COUNTY TREASURER'S OFFICE**

T C

**PIMA COUNTY TAX RECEIPT**

MIRABELL WATER CO INC  
MORTON FREEDMAN/PRESIDENT  
1037 S ALVERNON, SUITE 250  
TUCSON AZ 85711

1206.01 +  
20.86 +  
1044.13 +  
2271.00 \*

**THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES**

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
911	15	1000	\$ 2,412.02	10/30/2004

**PAYMENTS**

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/25/2004	FIRST HALF	\$1,206.01	\$0.00	\$0.00	\$1,206.01
	TOTAL PAID	\$1,206.01	\$0.00	\$0.00	\$1,206.01

**PROPERTY ADDRESS**

**TAX YEAR 2004 BALANCE DUE**

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$1,206.01
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$1,206.01

**ADDITIONAL INFORMATION**

FIRST HALF TAXES ARE DUE 10/01/2004 AND DELINQUENT AFTER 11/01/2004. SECOND HALF TAXES ARE DUE 03/01/2005 AND DELINQUENT AFTER 05/02/2005. INTEREST CHARGES ACCRUE FOR PAYMENTS MADE AFTER DELINQUENCY DATES. FOR PAYMENT INFORMATION AFTER DELINQUENCY DATES, PLEASE CALL (520) 740-8341 OR VISIT WWW.TO.PIMA.GOV

**Thank you for your payment!**

**BETH FORD**  
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

**Beth Ford**  
Pima County Treasurer



**Patti Davidson**  
Chief Deputy Treasurer

**PIMA COUNTY TREASURER'S OFFICE**

**PIMA COUNTY TAX RECEIPT**

MIRABELL WATER CO INC  
ATTN: MORTON FREEMAN  
1037 S ALVERNON WAY STE 250  
TUCSON AZ 85711-5357

**THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES**

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
301	75	005B	\$ 20.86	10/30/2004

**PAYMENTS**

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/25/2004	FULL YEAR	\$20.86	\$0.00	\$0.00	\$20.86
	TOTAL PAID	\$20.86	\$0.00	\$0.00	<b>\$20.86</b>

**PROPERTY ADDRESS**

**TAX YEAR 2004 BALANCE DUE**

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$0.00</b>

***Thank you for your payment!***

**BETH FORD**  
PIMA COUNTY TREASURER



#2470 03/01 \$1,044.13

MIRABELL WATER  
1037 S. ALVERNON  
TUCSON, AZ 85711

2470

DATE 2-25-04

PAY TO THE ORDER OF Beth Ford Treasurer \$ 1044.13

One thousand forty four and 13/100

Compass Bank

For 1/2 Tex 91151004 Winston DeLeon

⑆ 422105744⑆ 0016425679⑆ 2470 ⑆0000104413⑆

\* COPY of  
Cancelled check  
from BANK  
MARCH STATEMENT

MIRABELL WATER  
1037 S. ALVERNON  
TUCSON, AZ 85711

2470

Date 2-25-04

91-574/1221  
969

Pay to the  
Order of

Beth Ford Treasurer \$ 1044.13

One thousand forty four and 13/100 Dollars



Compass Bank

Tucson, Arizona

For 1/2 Tex 91151004

Winston DeLeon

⑆ 422105744⑆ 0016425679⑆ 2470

COMPANY NAME MIRABELL WATER COMPANY YEAR ENDING 12/31/2004  
INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported <4340>  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

#### CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Morton Freedman  
SIGNATURE

3-3-05  
DATE

Morton Freedman  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

MAR 14 2005

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>PIMA</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Mirabell Water Company / Martin J. Jessiman</u>
COMPANY NAME
<u>Mirabell Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 37056

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2098.09  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Martin J. Jessiman  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 323-7777  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

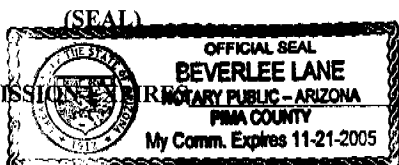
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3

DAY OF

COUNTY NAME
<u>PIMA</u>
MONTH
<u>3</u>
YEAR
<u>2005</u>



Beverlee Lane  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) <i>Pima</i>	
NAME (OWNER OR OFFICIAL) <i>Morton Freedman</i>	TITLE <i>President</i>
COMPANY NAME <i>Mirabell Water Company</i>	

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 37056

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2098.00  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Morton Freedman*  
SIGNATURE OF OWNER OR OFFICIAL

(520) 323-7777  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

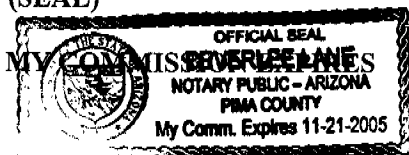
THIS

3

DAY OF

NOTARY PUBLIC NAME <i>BEVERLEE LANE</i>	
COUNTY NAME <i>Pima</i>	
MONTH <i>3</i>	20 <u>05</u>

(SEAL)



*Beverlee Lane*  
SIGNATURE OF NOTARY PUBLIC

## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

2:10 PM  
03/01/05  
Cash Basis

**MIRABELL WATER**  
**Balance Sheet**  
**As of December 31, 2004**

	<u>Dec 31, 04</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
106 - Compass Bank	363.67
Total Checking/Savings	<u>363.67</u>
Total Current Assets	363.67
Fixed Assets	
125 - Fixed Assets	131,773.13
130 - Storage Tank	6,500.00
132 - Storage Tank #2	9,200.00
166 - Accumulated Depreciation	<u>-132,975.00</u>
Total Fixed Assets	14,498.13
Other Assets	
175 - Loan Receivable - Natlwide	4,187.89
Total Other Assets	<u>4,187.89</u>
<b>TOTAL ASSETS</b>	<u><b>19,049.69</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Long Term Liabilities	
224 - WIFA Loan Payable	10,556.45
Total Long Term Liabilities	<u>10,556.45</u>
Total Liabilities	10,556.45
Equity	
300 - Capital Stock	109,658.00
310 - Paid in Capital	21,223.00
380 - Retained Earnings	<u>-118,047.45</u>
Net Income	<u>-4,340.31</u>
Total Equity	8,493.24
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>19,049.69</b></u>

2:10 PM  
03/01/05  
Cash Basis

**MIRABELL WATER**  
**Profit & Loss**  
January through December 2004

	Jan - Dec 04
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
235 · Deposit Income	255.00
461 · Customer Services	36,848.69
474 · Customer Estimate Fee	75.00
480 · Sales Tax Payable	-122.08
<b>Total Income</b>	<b>37,056.61</b>
<b>Expense</b>	
<b>Utilities</b>	
615 · Power Purchase - Electric	8,683.31
<b>Total Utilities</b>	<b>8,683.31</b>
<b>408 · Taxes</b>	
408.2 · Monthly Tax	2,098.09
408.3 · Property Tax	2,271.00
<b>Total 408 · Taxes</b>	<b>4,369.09</b>
603 · Depreciation Expense	2,537.00
620 · Office	1,133.08
<b>631 · Professional Fees</b>	
631.2 · Accounting	813.00
<b>Total 631 · Professional Fees</b>	<b>813.00</b>
635 · Contract Service - Testing	165.00
636 · Contract Service - Other	6,640.54
640 · Rent	2,876.40
650 · Automobile Expense	8,581.07
655 · Insurance	3,075.74
660 · Interest Expense	404.28
675 · Miscellaneous	2,118.41
<b>Total Expense</b>	<b>41,396.92</b>
<b>Net Ordinary Income</b>	<b>-4,340.31</b>
<b>Net Income</b>	<b>-4,340.31</b>